



# AGRICULTURAL COUNCIL OF CALIFORNIA

REPRESENTING FARMER COOPERATIVES SINCE 1919

- Agrilink Foods
- Alliance of Western Milk Producers
- Allied Grape Growers
- Apricot Producers of California
- Blue Diamond Growers
- Butte County Rice Growers Association
- Calavo Growers of California
- Calcot, Ltd.
- California Association of Winegrape Growers
- California Canning Peach Association
- California Cattlemen's Association
- California Fig Institute
- California Planting Cotton Seed Distributors
- California Poultry Industry Federation
- California Tomato Growers Association, Inc.
- California Wool Growers Association
- Cal-Pure Pistachios
- Cal/West Seeds
- Central California Almond Growers Association
- Certified Farmers' Markets of Sacramento
- CoBank
- Dairyman's Land O'Lakes
- Diamond of California
- Dos Palos Cooperative Gin, Inc.
- Fruit Growers Supply Company
- Hazelnut Growers of Oregon
- Mid-Valley Cotton Growers, Inc.
- Pacific Coast Producers
- Raisin Bargaining Association
- San Joaquin Valley Hay Growers Association
- San Luis Obispo County Farm Supply Company, Inc.
- South Valley Gins, Inc.
- Squab Producers of California
- Sunkist Growers, Inc.
- Sun-Maid Growers of California
- Sunsweet Dryers, Inc.
- Sunsweet Growers, Inc.
- Sutter Basin Growers Cooperative
- Tule River Cooperative Dryer, Inc.
- US AgBank, FCB
- Valley Fig Growers
- Visalia Cooperative Cotton Gin
- Westside Farmers Cooperative Gin, Inc.

October 27, 2003

The Honorable William Thomas, Chair  
Committee on Ways and Means  
1102 Longworth Building  
Washington, D.C. 20515

RE: H.R. 2896 (Thomas) - Support

Dear Chairman Thomas:


The Agricultural Council of California, representing 42 California agricultural cooperatives and their producer-owners, supports H.R. 2896, which addresses the World Trade Organization's ruling against the Foreign Sales Corporation (FSC) tax structure.

As representatives of agricultural cooperatives in California, we support the inclusion of the reduction in the corporate tax rate and elimination of the triple tax on cooperative dividends in H.R. 2896. Under current tax law, agricultural cooperative dividends are taxed as much as 60% higher than corporate dividends. This puts agricultural cooperatives, and their grower-members, at a disadvantage in comparison to other types of businesses. Elimination of the triple tax on cooperative dividends helps cooperatives raise the equity capital necessary to make environmental improvement and expand their operations.

Therefore, the Agricultural Council strongly supports H.R. 2896 and its inclusion of these tax provisions for agricultural cooperatives.

Thank you for your support and leadership on this issue.

Sincerely,

  
Don Gordon  
President

cc: National Council of Farmer Cooperatives  
Michael Wootton, Vice President, Corporate Relations, Sunkist Growers